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AGRICULTURAL PRODUCTION COOPERATIVE
IN CH'UAN-TI TS'UN, SHANSI

[Comment and Summary: This report is based on a personal investigation of the agricultural production cooperative at Ch'uan-ti Ts'un in P'ing-shun Hsien, Shansi, in December 1951, after the cooperative had been in operation 7 months. The investigator, Fan Ch'ang-chiang, conducted discussion meeting with local party leaders, with the leading members of the cooperative, with the whole membership, and with the eight nonjoining households of the former mutual aid teams forming the cooperative. He also had interviews with individual nonjoining farmers, and with five representative women members of the cooperative. The investigator was accompanied by two officers of the P'ing-shun Hsien party committee.

The report covers the background, organization, methods, accomplishments, and problems of the cooperative.

Background

Chuan-ti Tsun in P'ing-shun Hsien, Shansi, is an administrative village of 94 households of which 93 households are classed as middle peasants. The terrain is mountainous with a limited amount of arable land and the villagers depend largely on cisterns for their potable water supply.

The mutual aid cooperative program has been in effect continuously since 1943, and in 1950 there were 10 mutual aid teams embracing 88 of the 94 households.

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In April 1951, two of the mutual aid teams with a combined membership of 26 households joined to form an agricultural production cooperative. Later, eight of the households withdrew. The remaining 18 households have a total population of 76 of whom 21 are able-bodied male workers and 16 are women laborers. Most of the 29 party members in the village are members of the cooperative which is one of ten cooperatives sponsored by the party committee of the Ch'ang-chih Special Administration District. Altogether, the member households own a total of 152.7 mou of land of which 107 mou were pooled in the cooperative at the time of organization.

Basic Needs of Ch'uan-ti Ts'un Farmers

In 1949, the farmers in Ch'uan-ti Ts'un had a number of problems which up to that time had not been solved, although many of the farmers were or had been members of mutual aid teams. The farmers found themselves short of work animals, of sheep to produce fertilizer, and of agricultural implements and the capital to purchase them. They also had difficulty in making effective use of their land because the plots were small and separated from one another.

The mutual aid teams in the area had drifted into formalism and could not meet these problems of the farmers successfully.

After the liberation from the Japanese, the Kuomintang, and the landlords, the farmers had relaxed, feeling that there were no more enemies. They lost patriotic interest in military service and payment of the grain tax, and ignored the working cadres who went among them. The call of the provincial government for organization aroused little interest for they believed they had gone as far as they could in mutual aid team organizations. They decided that what they had was the best they could hope for. Both cadres and people were in a sadly discouraged state.

It required the Resist America Aid Korea Movement, with its presentation of a new enemy to rearouse their patriotism and renew their interest in increasing production.

Early in 1951, the party committee of the Ch'ang-chih Special Administrative District promoted the idea of organizing an agricultural production cooperative in the Ch'uan-ti Ts'un area. The majority of mutual aid team members welcomed this proposal for an additional agency in promoting patriotic production.

Agricultural Production Cooperative Increases Farmers' Productive Capacity

With the organization of the agricultural production cooperative, production exceeded that of the mutual aid teams in crops raised, in supplementary occupations, and in investment for production.

Production per unit of area was raised from 342 catties per mou in 1950 to 454 in 1951, which was 19.4 percent above the 1950 production of the best mutual aid team in the area, and 44 percent above that of the best individual operator. It was also 216 percent of prewar production. High production for corn was 1,050 catties per mou, 71 percent over mutual aid team production. The agricultural production cooperative reduced from 19 to 14 the number of man-days required to till one mou of land, at the same time improving the quality of the work.

Unified land management resulted in increasing the arable area by eliminating uncultivated strips between fields while reducing the amount of labor required. By a conference agreement of the agricultural production cooperative, members' boundary markers were buried below the

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cultivation level, thus preserving the evidence of private ownership but not interfering with cultivation. Supplementary industry income was raised to 28 percent of the total income of the cooperative. The chief supplemental industry of the cooperative is lumbering. During 7 months of 1951, the equivalent of 16,812 catties of coarse grains was reinvested in production.

The following factors were responsible for the gains made by the Ch'uan-ti Ts'un agricultural production cooperative.

Unified management of the land resulted in planned production according to the nature of the soil rather than merely the immediate needs of the individual owner. Furthermore, by more intensive working, the quality of the land is improving.

The conditions of labor utilization have been greatly improved by the cooperative with a marked improvement in labor force morale. Surplus field labor has been profitably employed in supplementary activities. Efficient division of labor has also been effected both with regard to skills and strength. Women receive equal remuneration with men for equal work. At present, a satisfactory system of remuneration for the use of work animals is in force. It is planned that eventually the cooperative itself will own all work animals.

There was an increase in the use of fertilizer in 1951 to an average of 98 piculs per mou. Fertilizer is now applied according to the nature of the land as follows:

<u>Soil Type</u>	<u>Fertilizer</u>
Red soil	Green manure
Yellow and black soil	Sheep manure and night soil
Light colored soil	Mule and horse manure
Shady land	Sheep manure and night soil
Sunny land	Sheep and hog manure

Considerable labor has been saved by using fertilizer on the land nearest where it was produced. This is made possible only by unified management of the land. For 1952, it is planned to save still more labor by pasturing sheep on the land to be fertilized.

Use of new type machinery, and deeper and more frequent plowing have become the usual practices within the cooperative. By coordinated use of animal power, fall plowing was completed before the ground froze.

Careful seed selection, more frequent cultivation, and prompt completion of the harvesting of the crops resulted in higher production and less loss than previously. In all phases of the work, from sowing to storing the crops, unified management within the cooperative resulted in radical improvements. The cooperative operated an experimental plot where much information was gained that will greatly improve 1952 operations.

Elements of Socialist Economics Increase in the Cooperative

The Ch'uan-ti-Ts'un Agricultural Production Cooperative has mastered the method of distribution by applying socialist principles. Of the net agricultural income, labor compensation amounted to 52 percent, land use compensation to 40 percent, and public reserves to 8 percent.

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Labor compensation is calculated on the basis of the labor unit, ten labor units equaling one work-day. Labor output and quality below the work-day norm reduces the number of allowed units when above the norm units are added. If a special skill or special labor is involved, the work-day often counts 12 or 13 units. All regular agricultural labor and supplemental labor are credited according to the unit count.

The unit count method includes the use of the work certificate system. The work certificate is issued daily, and is tallied on the average of once every 10 days. Each team leader is responsible for issuing the work certificate. The team leader's own work certificate is issued by the deputy team leader. During 7 months of 1951, each work-day was compensated with 14 catties of grain. The members of the mutual aid teams and the other hired labor of this village received only 7 catties of grain (equivalent to 5 catties of rice) per day, which is half the daily income of the agricultural production cooperative members.

The distribution method for land-use compensation is first to calculate the normal annual production of the land pooled in the cooperative according to previous yearly figures. Forty percent of the cooperative's total agricultural income, after all agricultural production costs are subtracted, is used for land-use compensation purposes. The amount of land-use compensation to be paid each member is computed on the basis of the ratio of the normal production of the land he has in the pool to the total amount to be distributed.

The net income from supplemental industries, after deduction for public reserves, is combined with that portion of the net income from agriculture which is distributed in payment for labor when paying the workers. Eight percent of the net income from agriculture and from supplemental industries is set aside for reserves.

This cooperative employs a minimum of 60 percent of reserves for investments in production, and the rest is used for public welfare and cultural education of members.

According to the terms of distribution for this cooperative in 1951, 62.5 percent of the combined agricultural and supplemental industry net income went for labor, and 29.5 percent as compensation for land use. Labor compensation and public reserves were equivalent to 70.5 percent of the total net income.

The increase of socialist economic elements is demonstrated in the increase of cooperative-owned production property. This new increase in the cooperative-owned production equipment includes: 3 oxen, 2 iron-tired carts, 45 sheep, 5 large saws, and 45 catties of hemp rope. The cooperative society planted 30 mou of forest land on which will grow elm, huai (Sophora Japonica), ch'un (cedrela chinensis Juss), and apricot trees. The constant increase in common property, particularly common production equipment, is one of the most important factors in the consolidation and development of the Ch'uan-ti Ts'un Agricultural Production Cooperative.

Basic Experience

The 7-months experience of the Ch'uan-ti Ts'un Agricultural Production Cooperative has revealed a number of items of importance to the program.

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1. The members have pooled their land for unified management and this plan is basic for agricultural production cooperatives in order for them to put into effect the use of modern machinery and various improved techniques of farming and the planned employment of collective labor.

However, every member should retain a suitable amount of land under his own control for a family garden. Too little will not meet his needs, too much will interfere with his work in the cooperative and reduce his income. While pooling land use is basic to unified management, the recognition of private ownership must never be lost sight of. Furthermore, it must be recognized that while the agricultural production cooperative is the peak of mutual aid organizations it is at the bottom of the ladder when compared with the socialistic collective village. It is only a temporary intermediate stage in socialist development.

2. The success of the Ch'uan-ti Ts'un Agricultural Production Cooperative is due to its policy of making labor its main consideration and land secondary. This trend constitutes a revolutionary change in the age-old primary dependence of the Chinese farmer on the products of his land. The new idea of income according to effort is raising the farmers' rate of production and showing the superiority of united effort over the old backward system of individual effort on scattered holdings. However, at present, any attempt to eliminate the idea of private land ownership and voluntary retention of part of the land for private individual cultivation is leftist deviation and must be avoided. If some members still continue to consider land income as primary and labor income as secondary this must be permitted as a passing phenomenon.

3. Reserve Funds. In the beginning, the Ch'uan-ti Ts'un cooperative members agreed upon a reserve fund to be deducted from net income of 20 percent. However, this resulted in an uneven reduction of income for the members with considerable land but a small labor force. Consequently, the rate was reduced to the present 8 percent. This evened the inequalities to some extent. However, the cooperative leaders must recognize that while the standard of living of the members has been raised noticeably it is still basically very low, and it is the duty of the cooperative to provide for a continuous improvement. Only on such a basis will the cooperative be able to build up cash reserves and public property holdings.

4. Previous experience of members in mutual aid team joint labor activities is basic to success in a cooperative. Otherwise the problems of determining labor credits and suitable division of labor in the cooperative will be almost insuperable. Any new cooperatives to be organized in the future should have a hard core of members experienced in mutual aid labor practice.

5. Voluntary Membership. The principle of voluntary entrance and withdrawal must be maintained. Authoritarianism and a closed-door policy are fatal to a cooperative. It must be recognized that pooling their land for common use is a momentous event in the lives of members. Any harshness in management of this problem will have serious undesirable repercussions. The cooperative must maintain thoroughly democratic procedures and avoid and exclude any authoritarianism. Recognizing labor as paramount and maintaining democratic procedures in leadership is comparatively easy. Without this it is easy to become paternalistic. Having maintained the democratic principle, the Ch'uan-ti Ts'un cooperative has been able to solve these problems successfully.

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6. Party leadership of an agricultural production cooperative is imperative and each cooperative needs strong party members in its membership. Party organs on higher levels should give counsel in the organization of cooperatives.

7. Financial Aid. Bank loans have given the Ch'uan-ti Ts'un cooperative a good start in economic development. It is necessary that trade organs give aid by contracting for products of supplementary industries. Something has been done along this line, but more is needed.

Various Problems of the Agricultural Production Cooperative

1. Amount Withdrawing Members May Take

When the Ch'uan-ti Ts'un Agricultural Production Cooperative was organized, the members thought that withdrawing members should be permitted to take with them their proportion of the reserves and public property acquired by the cooperative during their membership, since their labor was involved in its creation. They held that failure to grant this would be a violation of the right of private property.

However, at present, after much discussion, 70 percent of the members no longer favor it. The argument is as follows:

- a. The reserves and property accumulated by the cooperatives are the result of the collective efforts of all members and should not be dispersed.
- b. The withdrawing member has already enjoyed the benefit of improvement in his livelihood and in the quality and productivity of his land during his membership. These should be sufficient increment to him as a result of his membership.
- c. The reserves and public property accumulated by the cooperative also contain a factor due to aid from the state-controlled economy. This factor cannot be computed for division among members.
- d. Expansion of cooperative holdings and frequent changes of membership make any satisfactory computation of the share belonging to any one member unfeasible.
- e. Dispersal of the public resources of the cooperative would result in weakening its economic strength.

Some members have proposed that new members be required to pay entrance dues. However, the general opinion is that, since withdrawing members may not withdraw any public property or reserves, no entry fee should be required.

2. Size of Cooperative

While members generally recognize that a large cooperative will have more labor power, land, and capital than a small one, under the present situation of leadership capabilities in Ch'uan-ti Ts'un the cooperative should be expanded only gradually.

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3. Leadership

Leadership in an agricultural production cooperative requires a considerable degree of business acumen and experience. There are problems of both regular and supplementary production to care for. At the same time, leading cadres should engage in active labor in the fields. The problem of cooperative accounting is important. Hence the government should give special attention to the training of agricultural production cooperative leaders.

4. Adjustment of Labor to Health

During 1951, the cooperative had no organized plan for rest periods. With the heightened production consciousness of the members no one wanted to fall behind the others in labor. However, many members felt that such effort, sustained indefinitely, would shorten life. With the elimination of the so-called normal slack seasons of the old agricultural economy it is necessary in the interest of health to have planned rest seasons.

5. Labor Insurance

Cooperative members are apprehensive that under the cooperative system a loss or diminution of labor ability will result in loss of livelihood, hence a comprehensive system of disability insurance is considered essential.

6. Unequal Labor Ability

At present, many families who have only a small labor force fear to join the cooperative. Unless the cooperative devises plans to accommodate the requirements of diverse labor abilities this situation will worsen as time goes on.

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